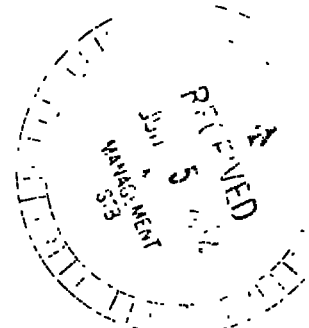


**Meade Bauer**  
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RECORDATION NO. 30246 FILED

May 31, 2012

JUN 05 '12 -10 20 AM

**SURFACE TRANSPORTATION BOARD**

Chief  
Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 "E" Street, S.W.  
Washington, D.C. 20423

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement, dated as of May 25, 2012, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Secured Party:                      The Frost National Bank  
   P. O. Box 1600  
   San Antonio, Texas 78296

Debtor:                                  Georgetown Rail Equipment Company  
   111 W. Cooperative Way  
   Georgetown, Texas 78626

A description of the railroad equipment covered by the enclosed document is:

GREX "Dump Train" known as DT 2020, which includes one stacker car identified as GREX 2020 and 15 railroad hopper cars identified as GREX 2021 through GREX 2035, all of which are permanently coupled with a slackless drawbar system, together with all substitutions, replacements, additions and accessions thereto, now owned or hereafter acquired, and all proceeds thereof.

A short summary of the document to appear in the index is:

Memorandum of Security Agreement

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Sincerely,

  
\_\_\_\_\_  
Meade Bauer

Enclosures

JUN 05 '12 -10 20 AM

## MEMORANDUM OF SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") dated to be effective as of May 25, 2012 (the "Effective Date"). is made by and between **GEORGETOWN RAIL EQUIPMENT COMPANY, a Texas corporation** (hereinafter called "Debtor"), whose address is 111 W. Cooperative Way, Georgetown, Williamson County, Texas 78626, and whose organizational number is TX126446400, and **THE FROST NATIONAL BANK, a national banking association** ("Secured Party"), whose address is P.O. Box 1600, San Antonio, Bexar County, Texas 78296. The parties hereto for good and valuable consideration hereby state the following:

1. Debtor and Secured Party are parties to that certain Security Agreement dated March 24, 2011, as most recently amended and restated under that certain Third Amendment to Loan Agreement and Loan Documents dated the Effective Date (the "Security Agreement") whereby, as security for the Indebtedness (capitalized terms used herein and not otherwise defined shall have the meaning given in the Security Agreement). Debtor, for value received, pledged and granted to Secured Party a continuing security interest in the railroad equipment more specifically identified on **Exhibit A** attached hereto and made a part hereof (the "Collateral").

2. Debtor's obligations under the Loan Documents are evidenced by and payable in accordance with the Loan Documents.

3. Pursuant to the terms of the Loan Documents and to secure the payment and performance of any and all of Debtor's obligations to Secured Party, Debtor granted to Secured Party a first priority security interest in the Collateral, together with all products and proceeds of all of the foregoing (including without limitation, insurance payable by reason of loss or damage to the Collateral) and any property, securities, guaranties or monies of Debtor which may at any time come into the possession of Secured Party.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed effective as of the Effective Date.

**DEBTOR:**

GEORGETOWN RAIL EQUIPMENT  
COMPANY, a Texas corporation

By: William Shell  
William Shell, President

**SECURED PARTY :**

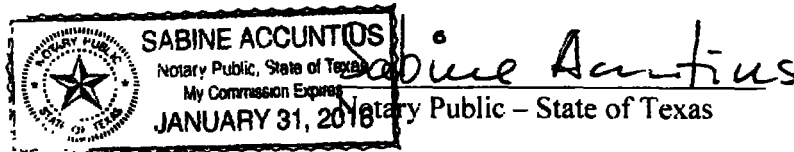
THE FROST NATIONAL BANK,  
a national banking association

By: Julie Farrell  
Name: JULIE FARRELL  
Title: ADMINISTRATIVE OFFICER

web

STATE OF TEXAS           §  
                                     §  
COUNTY OF Williamson §

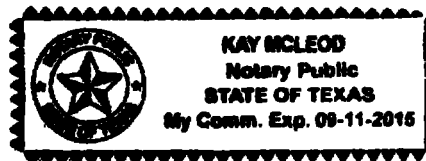
This instrument was acknowledged before on the 25<sup>th</sup> day of May, 2012, by William Shell, President of **GEORGETOWN RAIL EQUIPMENT COMPANY**, a Texas corporation, on behalf of said corporation.



STATE OF TEXAS           §  
                                     §  
COUNTY OF DePue §

This instrument was acknowledged before on the 29<sup>th</sup> day of May, 2012, by Stacie Farwell, Admin. Officer of **THE FROST NATIONAL BANK**, a national banking association, on behalf of said national banking association.

Kay McLeod  
Notary Public – State of Texas



*web*

## EXHIBIT A

GREX "Dump Train" known as DT 2020, which includes one stacker car identified as GREX 2020 and 15 railroad hopper cars identified as GREX 2021 through GREX 2035. all of which are permanently coupled with a slackless drawbar system, together with all substitutions, replacements, additions and accessions thereto, now owned or hereafter acquired, and all proceeds thereof.

wcd